

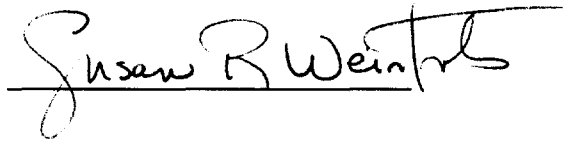
The Bottom Line: Private Industry and the Holocaust

An Honors Thesis (HONRS 499)

by

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A handwritten signature in black ink that reads "Susan R. Weintrob". The signature is written in a cursive style and is positioned above a horizontal line.

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Purpose of Thesis

This discussion of the Holocaust against European Jews that occurred in Nazi Germany during World War II focuses on the Germany private business enterprises that profited from the use of slave labor from the concentration camps. A brief history of the emergence of labor camps and compulsory labor laws is given, followed by a detailed look at three German companies that used forced labor: I.G. Farben, the Flick conglomerate, and the Krupp conglomerate. Finally, a discussion of business ethics is presented, which includes the results of a survey of a group of Ball State University business students regarding business ethics.

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Introduction

The Holocaust is one of the darkest periods in modern history. The assault on Jews and other enemies of the Nazi party is both frightening and unimaginable. The most haunting and best known accounts of the Holocaust are those involving the concentration camps and the gas chambers. The role played by private industry in the Holocaust, however, is not as well known. Most of the victims of the Nazis were immediately executed upon arriving in the camps. However, many inmates were forced to work for private business enterprises in Germany and the Nazi-occupied territories. The Nazi government and German private industry conspired to boost German production, increase personal wealth among the members of the two groups, and annihilate the ideological enemies of the Nazi party.

The Emergence of Concentration Camps

Adolf Hitler's Mein Kampf has been called the bible of the National Socialist party. One of the ideas presented by Hitler was that the Jews were agitators who would destroy Germany. According to Hitler, the Jews were the main cause of Germany's pre-war difficulties and a threat to Germany's future. As a result, Jews were forced to register with the government and were sorted according to their "purity." Full Jews were considered to be more of a threat than half or one quarter Jews with German blood. The Nuremberg Laws stripped Jews of their citizenship and excluded them from public office, the civil service, and the professions. The Laws also prohibited sexual relations between a Jew and an "Aryan." Violations of this law were punishable by death. Jews were

taunted, insulted, and beaten by government officials and German citizens alike.

The first concentration camp was set up at Dachau, near Munich, in March of 1933, under the supervision of Heinrich Himmler (Ferencz 3). Himmler, the police president of Munich, was appointed the head of the Schutzstaffel, or SS, guard unit. The next camp was set up at Oranienburg, near Berlin. More camps followed at Buchenwald, near Weimar, in 1937, and at Ravensbruck, in 1938 (3). These camps were used for the persecution of those people that were considered to be enemies or potential enemies of the Reich, including Jews, Catholics, Seventh Day Adventists, communists, and gypsies (3). As the camps grew, they were continuously subdivided, and the subcamps were administered from the main camp. The forced labor camps developed later as a branch network of the concentration camps.

Compulsory Labor Laws

Forced labor camps were preceded by laws for compulsory labor in Nazi Germany and its satellites and occupied territories. Foreign laborers were put to work with the enactment of the Nazi concept of "Fremdarbeiter," meaning foreign workers, which was first enacted in March of 1938 in Austria (Gutman 497). After the Anschluss, 100,000 Austrians were taken to work in Germany (497). When World War II began and Germany occupied more countries, the Nazis were able to exploit much more manpower. Immediately after the outbreak of war, prisoners of war were put to work to support the war-time economy in Germany. Although forced labor violated

international law, the Nazis used the "Fremdarbeiter" to replace the many German workers who had gone off to war. By doing so, the Nazis avoided having to draft laborers from the German population. In 1939, 340,000 Polish prisoners of war were put to work by the Nazi government (497). In "recruiting" foreign workers, the Nazis followed a very detailed program. "The plan provided for extremely harsh methods of recruitment to be applied in Poland and the occupied Soviet areas, whereas in the other countries under German occupation or in the satellite countries, far more lenient methods were to be used" (497).

The Nazis began introducing laws for compulsory labor into the Generalgouvernement in 1940. Conscriptions for work were introduced. Any person who did not have papers which exempted him from working was arrested, while those that refused to work were denied food rations. A 1942 Nazi decree enacted "Zwangsverpflichtung," or forced labor, in all occupied countries and the POW camps (498).

The majority of foreign laborers were from Poland and the Soviet Union. In 1941, 800,000 Poles were forced to work for the Nazis (498). This represented 55 percent of the total foreign labor force in Germany at the time (498). Between 1942 and 1944, the local populations in the occupied countries voiced their opposition to working in Germany. Reports of poor working conditions and the harsh treatment of foreign laborers, as well as the impending German defeat in the war, made it difficult for the Nazis to find support and recruit laborers in the occupied

between the ages of twelve and fourteen as well. In early 1940, Generalgouverneur Hans Frank ordered the SS to implement the law (500).

All Jews between the ages of fourteen and sixty were forced to register and were divided into six categories according to any professional or trade qualifications they possessed. Special labor camps were set up. The Jews were forced to live and work in the camps during their period of compulsory service, which was scheduled for two years but could be extended if "the desired reeducational goal had not been achieved" (500). The Nazis claimed that the camps would "teach Jews 'order and work'" (Yahil 162).

Jews were housed in barracks and forced to work under extremely harsh conditions. Twenty-nine camps were already in operation by July of 1940 in the Lublin district (Gutman 500). The conditions of life and work within the camps were horrendous. Jews were humiliated, beaten, chased by vicious dogs, deprived of food, and worked to the point of exhaustion. Many Jews died in the camps, while others were permanently disabled. In one instance, six thousand men were sent to the labor camps from the Warsaw ghetto. One thousand of those men were no longer fit to work within two weeks (501). In 1940, over 700,000 Jews in Poland were forced laborers for the Nazis (501). That number decreased to 500,000 in 1942 and to 100,000 in 1943 (501). The decrease was due to the high mortality rate in the camps and the harsh conditions in the labor camps.

Jewish forced laborers also received much less compensation

than other forced laborers, if the Jews were even payed any wages at all. The Nazis took substantial deductions from Jews' pay for various reasons. In some cases, as much as eighty percent was deducted from a Jew's pay. Between October 21, 1939, and November 15, 1940, two million workdays were completed by forced laborers in Warsaw (501). Nearly three-fourths of those days were never paid.

Change of Plans

By 1942, the war had begun to take its toll on Germany. The Nazis were in need of more armaments to continue to war. However, the drain on German manpower due to the war caused the production of armaments to be slow. The Nazis were forced to reconsider their quest to achieve the "wholesale slaughter" of the Jews (Ferencz 17). In February of 1942, Himmler presented a solution to the labor problem to Hitler and Albert Speer, the Nazi minister of armaments and munitions. Himmler suggested that armament plants be constructed inside the concentration camps in order to put the able-bodied inmates to work on armaments production (17). A new department of the SS, the Economic and Administration Main Office, was created to deal with the economic aspects of providing labor to the armaments industry.

By April of 1942, the concentration camps had been reorganized in order to mobilize the prisoners that were fit to work in the new armaments factories. The government demanded that the work of the inmates be exhaustive in order to receive the "greatest measure of performance" from the forced laborers. In reality, the Nazis were attempting to reach a compromise between their ideological demands

and their economic demands. By working the inmates to death, the Nazis provided themselves with productive labor for producing armaments and eliminated the inferior "race" of Jews. All inmates that could not work were still to be "destroyed without consideration." Even after the Nazis began forcing the inmates to work in the factories, two out of three prisoners still went straight to the gas chambers upon arriving in the camps. The SS spared those inmates that were fit for work until they were literally worked to death or were no longer able to work, at which time they were exterminated. Thus, the Nazi program of "Vernichtung durch Arbeit," or destruction through work, began (18).

The Nazi government and German industry claimed that forced labor was used because of the shortage of manpower in the German war-time economy. However, the utilization of foreign workers, POWs, and Jews as forced laborers was not based solely on the needs of the German war economy. Rather, forced laborers, especially Jews, were used by the Nazis to promote their political and ideological beliefs and to "protect" the "Aryan" race from those they believed were inferior. At the same time, the problems caused by the war economy, including the labor shortage, emerged (Herbert 177). The worsening manpower shortage became an excuse that the Nazis used to justify the use of forced labor.

The decision to use foreign workers and POWs actually helped to facilitate the "Final Solution" to the "Jewish question" (177). The Nazi program of forced labor required the SS to evaluate

whether or not laborers were fit for work. The Nazis could simply classify Jews as unfit for work and then eliminate them. The forced labor program veiled the true aim of the Nazis - the total annihilation of all Jews.

Government Use of Slave Labor

By the end of 1942, nearly four million Jews had been eliminated from Germany and the Nazi-occupied countries, and another 200,000 Jews were in forced labor (Ferencz 23). While many of the Jews were forced to work for private companies, the Nazi government itself utilized the forced labor. The German Armaments Works (Deutsche Ausrüstungswerke - DAW), which was established in May of 1939 as an economic enterprise of the SS, controlled the production plants which had been established by the SS to exploit concentration camp labor (Gutman 370). The DAW used labor from Dachau, Sachsenhausen, Buchenwald, and Auschwitz, among others. In 1940, the DAW "employed" 1,220 prisoners (370). This number rose to 15,500 in 1943 (370). The largest factories were in the Janowska concentration camp and the Lublin-Lipowa Jewish POW camp. Together, the two camps used approximately 8,000 Jewish laborers (370). Many DAW forced laborers died while working for the organization. Some were eliminated through the implementation of the aforementioned "extermination through work" policy of the Nazi government. Others were simply slaughtered by the SS. On November 3, 1943, 2,000 Jewish POWs were taken from the Lublin-Lipowa camp and shot to death (370).

Another branch of the Nazi government which exploited forced

labor was East Industry, Inc. (Ostindustrie GMBH). East Industry, Inc., referred to as Osti, was founded by the SS on March 13, 1943 to further exploit Jewish labor in the Generalgouvernement (Gutman 1099). Osti was simply an economic enterprise of the SS created to take advantage of the work being performed by Jews. Jews in the Generalgouvernement were collected in ghettos until they were deported to the extermination camps. Those that were fit were put to work in labor camps set up by the SS. The SS wished to be and were the main economic beneficiary of such work (1099).

The real purpose of the labor camps was to serve as assembly points before Jews were deported to the extermination camps. In the meantime, however, the SS stood to make a profit. Osti assumed control of ironworks, brush factories, peat works, a fur-manufacturing plant, and other business enterprises in Lublin and the surrounding area. Osti employed about 16,000 Jews and 1,000 Poles (1099).

Many of the goods produced by Osti were received by the German army, and the army had hoped to continue receiving supplies from Osti. However, their hopes were dashed when the SS killed most of the Jews in the Generalgouvernement. In his final report, Odilo Globocnik, the chief executive officer of Osti, expressed regrets that Osti had many outstanding orders that could not be filled because Osti was discontinued. "Yet it was Globocnik himself who had disposed of the people who could have fulfilled these orders" (1099).

Private Industry Becomes Involved

When approached by Himmler about the possibility of setting up new armaments factories inside the concentration camps, Albert Speer was skeptical. He argued that production inside the camps would be ineffective because of a lack of space in the camps for mass producing many different types of equipment and supplies. Speer argued that private companies could produce armaments more effectively than the SS plants. In order to increase production, the private companies, Speer said, could operate on double shifts. Concentration camp inmates would be supplied to these companies to work both shifts.

Because Himmler was reluctant to allow "his" prisoners to be used outside of the camps, Hitler, at the advice of Speer, offered Himmler three to five percent of all weapons or munitions produced by the inmates (Ferencz 23). Himmler accepted. As a result, 35,000 inmates were made available to the Armaments Ministry, and over 250,000 inmates were "requisitioned directly from the Main Office of the SS by private German firms which by-passed Speer's ministry" (24).

Allied bombing and the loss of workers to the war effort resulted in a great demand for manpower. German firms were not forced into accepting concentration camp labor. They felt that they needed it. "The firms had to use all their influence and persuasion to get all the help they felt they needed" (24). Throughout the war, German private companies paid millions of marks to the SS "for the privilege of using the camp inmates" (24). The

SS set up an intricate accounting system to be certain that it was paid for every hour of labor, skilled or unskilled, used by the companies. The companies were permitted a maximum deduction from the fee to provide food to the inmates. The SS used the accounting system to ensure that this maximum deduction was never exceeded.

The inmates received nothing for their work. The SS retained general control over them, but the responsibility of immediate supervision fell to the companies that used their labor. The companies were required to set up security measures, such as guards and barbed wire enclosures, to ensure that the inmates could not escape.

The armaments industry was not alone in using slave labor from the concentration camps. Almost all of German industry sought the use of cheap concentration camp labor in order to help meet their war production goals. In the occupied territories, millions of foreign workers were forced "to work on the farms and in the factories of the Reich" (25). Nearly 1,800 forced labor camps were established in the territories controlled by Germany. Branches of the SS, as well as other branches of the Nazi government, competed among themselves for control of what they considered to be a "usable human commodity" (25).

Each company that used concentration camp labor was assigned a secret code number by the SS. The camp commanders were ordered to use these numbers on any correspondence relating to the companies. Aircraft companies, such as Messerschmidt, Junkers, and Heinkel, and automobile manufacturers, including Bavarian Motor

Works (BMW) and Daimler-Benz, used concentration camp labor. Dynamit Nobel and Rheinmetal, two munitions manufacturers, also exploited the inmates. Electrical companies like Siemens, Allgemeine Elektrizitäts-Gesellschaft (AEG), and Telefunken profited from cheap slave labor. The forced laborers also worked for construction companies like Moll, Holzmann, and Hugo Schneider AG (HASAG). The mining company, Braunkohle-Benzin, used concentration camp labor. Even branches of the government, such as the armed forces, the Economic and Administrative Main Office, and an organization called Organization Todt, created their own corporations to exploit the labor. Approximately ten percent of camp inmates worked for these corporations created by the Nazi government (29). They worked in mines and quarries to produce stone for the "highways and edifices of the Reich as well as the equipment and clothing for the SS" (29). Hundreds of German companies benefitted from the labor of concentration camp inmates. "The emaciated inmates, beaten, bewildered, and terrified, often had no idea which company they were working for or how long it would be before they too would be sent to a gas chamber" (29).

Discussions about the overall economic situation in Germany occurred regularly between Himmler and other SS leaders and a small group of industrial leaders. The members of this group, which was known as the "Circle of Friends of Himmler," were selected by Himmler himself (26). The group was formed in 1933 and met on the second Wednesday of every month so that the two groups could "exchange ideas" (26). Friedrich Flick, a leading armaments

manufacturer, and representatives of I.G. Farben, a German chemical conglomerate, were members of the "Circle of Friends."

The two groups developed a "very friendly" relationship (26). In 1943, Himmler invited the industrialists to his headquarters to celebrate Christmas. Himmler informed the industrialists of the success of the war effort, and a group of SS males sung songs to entertain the industrialists (28). In addition to contributing to the funds of the SS, many of the industrialists also contributed to Himmler's personal fund. This assured them of the cooperation of the SS and the Economic and Administrative Main Office.

Organisation Schmelt

Himmler acquired some of the labor he supplied to private industry from Organisation Schmelt. Organisation Schmelt was a system of forced labor for the Jewish population of Eastern Upper Silesia. The system was set up and administered by SS-Oberfuhrer Albrecht Schmelt under the direction of Himmler. Schmelt's title was "Special Representative of the Reichsfuhrer-SS for the Employment of Foreign Labor in Upper Silesia" (Gutman 1093). Organisation Schmelt operated from 1940 to 1944 in the ghettos and labor camps of Upper Silesia (1093). Schmelt forced the Judenrate, or Jewish councils, to make lists of all Jews fit for work. He made the council members directly responsible for the lists, threatening to send them to labor camps if the lists did not meet his approval.

In 1940, Organisation Schmelt began setting up forced labor camps in the vicinity of or even on the premises of German

enterprises that were important to the German war effort (1093). Although the first camps were established in Upper Silesia and Zaglebie Dabrowskie, Organisation Schmelt eventually set up camps in Lower Silesia and the Sudetenland.

Jewish labor was allocated to the private companies through specific agreements between Schmelt and each individual plant. The terms of the agreements included specific working conditions, wages, and the internal organization of the labor camps (1094). An example of such agreements is an agreement reached in 1942 between Schmelt and the Luranil Company, which was a subsidiary of I.G. Farben. The agreement called for 180 Jews to be supplied for the construction of a plant at Dyhernfurth which would produce war gas (1094). The Luranil Company would pay Organisation Schmelt 6 reichsmarks per twelve-hour day worked by a skilled worker and 4.5 reichsmarks per twelve-hour day worked by an unskilled worker (1094). The agreement also fixed a "subsistence cost" per day at 90 pfennigs (1094). The Judenrat in Sosnowiec, where the labor was to come from, was ordered to draw up a list of Jews to work on the project. If the Jews chosen did not comply, they would be arrested and ration cards would be withheld from their families.

Himmler decided in March of 1941 to use the Jewish workers in the camps of Organisation Schmelt for constructing plants that were under Albert Speer's administration. As a result, the number of workers in Organisation Schmelt rose from 1,500 to 4,000 (1094). Many Jews were employed in the construction of a hydrogenation plant at Blechhammer. "Additional forced-labor camps were

established at Gleiwitz for the construction of a soot-processing plant, at Miechowitz and Ober Lazisk for electronics factories, at Ratibor for a light-metals plant, and at Funfteichen, near Breslau, for the construction of the Krupp Ordnance Factory" (1094). Many other camps were constructed at railway junctions where new railway lined were being built to meet military requirements. Other camps were established along the course of the Breslau-Gleiwitz highway that was under construction at the time (1094).

Organisation Schmelt had set up forty forced labor camps for Jews by April of 1942 (1094). In addition, six more camps were under construction. In all, 6,500 prisoners worked in the camps (1094). Before Organisation Schmelt came to an end, it established 93 forced labor camps in Upper Silesia. Forty-eight of the camps had a small number of female prisoners. Thirty-six camps were exclusively male and six camps were exclusively female (1094). From the available information about the remaining three camps, the composition of the inmates cannot be determined. Organisation Schmelt also established 50 camps in Lower Silesia and 17 camps in the Sudetenland, bringing the total of Organisation Schmelt camps to 160 (1094). As of early 1943, 50,570 Jewish prisoners were forced to work for Organisation Schmelt (1094). The forced laborers were originally only Jews from Zaglebie Dabrowskie. However, as the military began using Organisation Schmelt in its plans, Jews from the Generalgouvernement were brought to Organisation Schmelt camps.

With the outcome of the war becoming bleak, Himmler made the

decision in 1943 to liquidate the plants and the forced labor camps (1095). All Jews in the camps were to be deported to Auschwitz. Only the most essential armament and ammunition factories remained in operation, and these camps became satellite camps of the larger concentration camps at Auschwitz and Gross-Rosen. The process of camp liquidation lasted until mid-1944 (1095).

Conditions in the Camps

The conditions in the forced labor camps which supplied labor to private companies were no better than those in other camps. The inmates were worked to death and deprived of adequate food and clothing. The drinking water was often contaminated and many prisoners died of starvation or freezing. Many prisoners were forced to run while unloading one hundred-pound cement bags (Ferencz 24). When a prisoner collapsed, he was kicked and beaten to determine if he was alive (24). "Inmates were forced to trot like dogs behind the bicycles of their amused German masters" (24).

As was the case in all camps, the Jewish prisoners were treated far worse than any other forced laborers. "Five times as many Jews were crowded into the barracks as the number of ethnic German workers" (25). Jews were harassed and threatened by the SS and civilians alike. When discussing the conditions faced by Jews working for I.G. Farben at Auschwitz, a British soldier said that "the German civilians often threatened the inmates that they would be gassed and turned into soap" (25). The Farben directors visited the camp regularly during the war. They would later testify that they never noticed anything happening in the camps that they

believed was wrong.

The conditions of slavery in the forced labor camps are revealed in Benjamin Ferencz's account of the story of a young Jew named Norbert Wollheim. Wollheim was forced to work at Monowitz after his wife and three-year old son were "selected" for death:

Norbert Wollheim, able to work, was loaded on a truck, together with about two hundred others, and delivered to Monowitz. There he was forced to undress and was stripped of all his possessions. His head was shaved, he was pushed into a collective bath where he was sprayed with disinfectant rather than the poison gas that had showered on the rest of his family. On his arm there was permanently tattooed the number 107984 as his identity disappeared and he became a number in the Nazi extermination machine. Like all newcomers, he was assigned first to "murder detail 4," which earned its title because few could long survive the assignment of unloading heavy cement bags from the arriving freight cars. Having acquired a skill as a welder he was, after a few months, transferred to welding, without goggles or other protection. Somehow he managed to keep alive and when the war was over, he would appear in the Nuremberg courthouse to offer witness against those who had murdered his family and tried unsuccessfully to work him to death. Wollheim could not and would not forget. (Ferencz 27).

The SS invited industrialists to come to the camps and look over their "stock." The SS recommended that prisoners be selected in "batches of 500" and taken away (30). The prisoners were treated like they were simply a commodity. They were "traded and transshipped like so many pieces of metal" (28). In one instance, an I.G. Farben factory in Munich selected 250 Dutch women from Ravensbruck and had them shipped by freight car to Dachau (28). The car was then refilled with 200 Polish women, who were sent back to Ravensbruck (28).

As the war neared its end, Auschwitz and its 42 branch camps

held 144,000 slaves (30). Over 30,000 prisoners died while working at the I.G. Farben Buna plant at Auschwitz during its three years of operation (30). It is estimated that, in addition to the 2,500,000 victims that were executed in Auschwitz by gassing or burning, another 500,000 died as a result of starvation or disease at Auschwitz alone (30).

When World War II came to a close, about 600,000 inmates remained alive in the camps (30). Approximately 250,000 of them were employed by private companies (30). Most German industrialists came off relatively well after the war. Many of the managers were never even put on trial. The International Military Tribunal did not put any of the corporate directors on trial. Some industrialists, including officials from I.G. Farben, Krupp, and the Friedrich Flick conglomerate, were put on trial at the Subsequent Proceedings at Nuremberg. Several defendants were found guilty of committing crimes against humanity by using their influence to obtain forced labor and abusing concentration camp inmates (32). Although many of these corporate officers were sentenced to prison terms, not one was still in prison by January of 1951 (32). "Half a dozen years after the war was over, all of the German industrialists were free to resume their normal lives" (32).

I.G. Farben

The most well-known industrial user of slave labor from the concentration camps is I.G. Farben. Farben was a conglomerate of eight leading German chemical manufacturers, including Bayer,

Hoechst, and BASF (Badische Anilin und Sodafabrik) (Gutman 711). The "I.G." portion of the conglomerate's name is an abbreviation for Interessengemeinschaft, which means "community of interests" (711). The firms merged into a single company on December 25, 1925, becoming the world's largest chemical manufacturing company (711). Farben had a monopoly on the German market and was Germany's largest exporter. The company saw its turnover increase from 1.2 million reichsmarks in 1926 to 3.1 billion reichsmarks in 1943 (711).

Farben was well-known for its innovative production processes, including the production of synthetic fuel from coal and the production of a synthetic rubber called Buna from coal or gasoline. However, these innovations were costly to Farben. As a result, the company sought to establish close ties with Hitler and the Nazi party. Hitler was intrigued by the possibility of using Farben's production processes to make Germany completely independent of foreign imports of raw materials (711). Farben needed an assured market in order for its products to be profitable. By guaranteeing government purchases, Hitler provided Farben with that assured market.

Farben also strengthened its ties to the Nazis through Himmler's "Circle of Friends." On February 20, 1933, German industrialists donated 3 million reichsmarks to the Nazi party (711). The largest amount given by a single company was the 400,000 reichsmarks donated by Farben (711). The money was used to finance the Nazi election campaign. The donations also helped to

create strong ties between the government and companies like Farben, who would later enjoy the benefits of such ties at the expense of the victims of the Nazi party's destructive plans.

The close ties between I.G. Farben and the Nazi party came into being in spite of the fact that several members of Farben's Board of Directors were Jewish. In the early 1930s, the Nazis claimed that Farben was an "international Jewish firm that was exploiting its workers" (711). However, the Nazis needed Farben's products to prepare for the upcoming war. For this reason, contacts between I.G. Farben and the Nazis became increasingly close throughout the pre-war period. By 1937, no Jews remained on Farben's Board of in executive management positions (712). Most of the Board members were also members of the Nazi party. These political ties enabled Farben to take over important chemical factories in the annexed and occupied territories.

Another connection between the Nazis and Farben was provided by Carl Krauch, a member of Farben's Board. When Hitler announced his four-year plan in 1936, which was designed to prepare German industry for the war, Krauch was given a leading position in the organization that was given the responsibility of implementing the plan (711). Krauch became Chairman of the Board of Farben in 1940 (712). "More than anyone else, Krauch personified the link between private industry and the growing government involvement in economic life during the Nazi period" (712).

As the war with the Soviet Union drew near, Farben, with the support of the government, decided to establish another Buna works

and additional factories to produce synthetic fuels. The company chose Auschwitz in Upper Silesia. Not only was Auschwitz located conveniently close to the railway and to coal mines, it also was home to a concentration camp which could supply Farben with up to 10,000 prisoners to work on the construction of the new plant (712). In 1942, a new section of Auschwitz was built at Monowitz. This part of the camp, which was close to the Farben works, was used to house the prisoners who worked at the Farben site. This saved the "time-consuming daily march from and to the main camp" (713).

The conditions in Farben's camps were unimaginable and horrendous. Early in the construction of Farben's plant, Farben executives who visited the camps were upset by the treatment of the workers by the SS. However, they were not concerned with the welfare of the camp inmates. Rather, they were concerned that the harsh treatment of the workers was having an adverse affect on the free workers from Poland and Germany. They asked the SS to carry out their floggings in the camps rather than on the construction site. A few months later, however, the executives had come to the conclusion that brute force was the only means of encouraging the workers to complete the work in an efficient manner.

At Monowitz, sickness was a "pervasive fact of life" (Borkin 124). Farben constructed hospital wards that were "so inadequate that even the SS suggested additional wards be built" (124). Farben was reluctant to do so because of the cost. When it did finally construct new facilities, it established a rule that no

more than five percent of the inmates were permitted to be sick at once (124). Anyone beyond the five percent limitation was sent to Birkenau for extermination. In addition, those prisoners that were admitted to the hospital were required to return to work within fourteen days. If they did not do so, they were also sent to Birkenau.

Starvation was a major concern at Auschwitz. Inmates were fed the infamous "Buna soup" and little else. The average inmate lost between six and a half and nine pounds per week as a result of the poor diet and extreme working conditions (125). After one month in the camp, a prisoner's appearance had already begun to change. After two months, an inmate was "not recognizable except as caricatures formed of skin, bones, and practically no flesh" (125). Birkenau was the destination of most of the inmates that were not already dead after three months.

The inmates were worked at an extremely fast pace by the Farben foremen. The foremen utilized the "SS trot" to help speed production (125). This policy even applied to inmates carrying heavy cement or construction materials. As previously mentioned, inmates in the camps were literally worked to death. It was a common occurrence that, when 400 to 500 prisoners left the Farben camps in the morning, between five and twenty of them were dead when the group returned in the evening (126). The slaves were treated by Farben as a "consumable raw material" rather than as capital equipment that must be maintained to prolong its life (126).

At least 25,000 of the 300,000 inmates that worked for Farben at Auschwitz were worked to death (127). The plants that were constructed by the inmates were so large that "they used more electricity than the entire city of Berlin" (127). Millions of reichsmarks and, more importantly, thousands of lives were invested in those plants, which had barely been constructed by the end of the war. In the end, no Buna rubber was ever produced at I.G. Auschwitz.

Farben on Trial

At the Subsequent Nuremberg Proceedings, Carl Krauch and other top officials from I.G. Farben were tried by the Nuremberg Military Tribunals. The defendants were accused of "preparing and waging aggressive war; crimes against humanity, by looting the occupied territories; and enslaving and murdering civil populations, prisoners of war, and prisoners from the occupied territories" (Gutman 713). The accused emphatically denied their guilt. Krauch claimed that all of the executives of Farben had always emphasized peacetime production rather than preparations for war, despite the prosecution's evidence of Farben's collaboration with the Nazi government and military to prepare Germany for war. Krauch claimed that the executives were not in favor of the foreign policy of the Nazis, and that they gave in only after being ordered to do so by the military high command.

Krauch insisted that Farben's motives had been misunderstood. Farben had recognized that Buna could be used to produce shoe soles superior to leather soles. Krauch said that he had insisted on

expanding production to provide German consumers, not just the military, with superior footwear.

Krauch also stated that Farben executives had tried to prevent Nazi party members from invading the organization and taking control of the company. He claimed that Farben executives were always suspicious of the Nazis and tried to keep their distance from party members. According to Krauch, Farben had attempted to resist the Nazi party's attempt to socialize all German industry.

A team of civilian and military experts determined after the war that Germany could not have waged such an aggressive war without the support of I.G. Farben (Borkin 1). Farben supplied important raw materials, including synthetic oils, rubber, nitrates, and fibers, as well as vaccines, drugs, poison gases, and rocket fuels to the German war effort (1). Despite this determination, however, all of the Farben defendants were acquitted of the charge of preparing and waging aggressive war.

Nine of the defendants were found guilty of crimes against humanity, and five defendants, including Krauch, were found guilty of enslaving and murdering civil populations and prisoners. The decisive factor in finding the defendants guilty on the last charge was their active role in the construction of Auschwitz (Gutman 713). The most severe prison sentences handed down were for eight years. However, by 1951, all of the Farben officers that had been convicted were out of prison as a result of a decision by the Advisory Board on Clemency for War Criminals.

On November 30, 1945, the Allied Control Council issued its

Law No. 9, which seized the assets of I.G. Farben (713). The assets were turned over to the four occupying powers. Certain plants were given as war reparations, while installations that produced war materials were destroyed. The Farben conglomerate was broken up into its three major components, including Bayer, BASF, and Hoechst. By the end of the 1950s, the three companies were outperforming the original I.G. Farben (713). Many of the former top officers of Farben were back in leading positions in the German chemical industry by the mid-fifties.

In the early 1950s, Norbert Wollheim, the Auschwitz survivor previously mentioned, sued I.G. Farben in Liquidation, the entity which remained after the conglomerate was split up. Wollheim claimed that he worked under the constant threat of death and that the Farben directors were well aware of the conditions in the camps. Farben argued that Wollheim had not been beaten nor injured while working for the company. The SS, the Nazi party, the State, and possibly even other inmates were responsible for whatever happened to Wollheim, Farben claimed. Farben representatives insisted that they had tried to improve the conditions in the camps, and they claimed that they were only doing their duty to their country and to their company (Ferencz 36). Farben even claimed that Wollheim should have been grateful to the company. After all, he and the other inmates would surely have died sooner in the gas chambers if they had not worked for Farben.

The Farben defendants claimed that they had never been to the camp at Auschwitz. Despite this claim, however, they said that

conditions in the camp were much the same as they were for Farben's German workers (36). They did not know about "selections" until after the war, they said. They stated that the inmates had always looked "splendid" and that the "Buna soup" was "delicious" (36). Farben even brought in its business manager, Dr. Heinz Savelsberg, to testify that, based on a production-cost analysis, Farben had paid the SS more than the inmates were even worth.

The three German judges in the trial concluded that the conditions in Monowitz were unbearable and that Farben was liable to Wollheim for failing to protect his life, body, and health (37). As a result, many other former slaves decided to come forward to sue Farben. The impending liability challenges caused Farben to seek a settlement. I.G. Farben in Liquidation agreed to donate money to the Jewish Claims Conference, which would then divide the money among the known forced labor claimants (42). In return, the Claims Conference would guarantee that there would be no further Jewish claims against Farben. Farben was forthright in stating that the payment would be a gesture of goodwill rather than an admission of guilt.

Farben's original offer was ten million marks (42). The total was based on the payment of 5,000 marks, which were valued at about 1,200 dollars at the time, to each of 2,000 claimants (42). However, the Claims Conference claimed that 6,000 survivors were due payment from Farben (43). The Conference wanted 10,000 marks for each claimant, with an additional ten percent paid to victims of extreme circumstances (43). In total, the Conference sought 66

million marks (43).

In 1956, Farben's offer reached 25 million marks, providing 5,000 marks to each of 5,000 claimants (45). The Claims Conference lowered its demand to 42 million marks, stating that it would only be responsible for distributing compensation to Jewish claimants (45). Finally, a deal was struck in 1957 in which Farben agreed to donate 27 million marks to the Claims Conference (52).

Farben purchased the services of a public relations firm in order to be certain that the donation was seen as an act of goodwill. Farben denied all legal liability, placing blame for the conditions of the workers on the SS and the Nazis. Farben promoted the donation as a significant and encouraging event in German history. The deal supposedly represented the new spirit in Germany, which involved German businesses and individuals clearing their consciences for actions that many of them claimed had never even happened.

The Flick Conglomerate

Friedrich Flick's business practices earned him the facetious nickname "Friedrich der Grosse," meaning "Friedrich the Great." Flick bought into a steel company called Vereinigte Stahlwerke in 1926 (Schmidt). Through clever purchases of stock, he gained control of the company by 1930. However, Flick was forced to borrow heavily to finance his takeover. Consequently, he experienced financial difficulties during the depression. Flick attempted to improve his financial situation by circulating rumors that he was going to sell the company to the French government.

Upon hearing this, the German government offered to buy most of Flick's interest for about three times the market value of the stock.

Flick used the money he received from the German government to found the Flick conglomerate, which eventually became one of the largest conglomerates in the world. Flick eventually controlled over 300 companies that manufactured "everything from toilet paper to dynamite" (Ferencz 156). The conglomerate included: coal and iron ore mines; blast furnaces; smelting, coking, and chemical plants; and synthetic fuel rolling mills (Schmidt). Products of Flick included finished steel products, railroad rolling stock, trucks, airplanes, and ammunition and armaments (Schmidt). One of the companies included in the conglomerate was Daimler-Benz, manufacturers of Mercedes automobiles.

Friedrich Flick made it a point to win the favor of the Nazi government. He established friendships with both Hitler and Himmler. He was given "exclusive 'aryanization' rights to Jewish coal interests in Czechoslovakia, as well as iron resources in Lorraine" (Ferencz 156). After the German army had occupied these territories, Flick had first rights to these resources, as well as the slaves that the Nazis would imprison there. Friedrich Flick was an active member of Himmler's "Circle of Friends," contributing about 100,000 reichsmarks per year to Himmler (157).

Many of the companies owned by Flick used slave labor from the concentration camps. One such company was the Dynamit Nobel Aktiengesellschaft (DAG). Dynamit Nobel was founded in 1865 by

Alfred Nobel as a producer of dynamite (158). Nobel was a Swedish chemist and engineer who had formed the company to "put to good use the knowledge he had acquired about the qualities of nitroglycerin" (158). When he died, Nobel left much of his fortune in a trust for awards based on accomplishments in physics, chemistry, medicine, literature, and peace (158). Considering Dynamit Nobel's use of slave labor, it is ironic that an award named after its founder is presented for contributions to peace.

Dynamit Nobel had consolidated many of Germany's munitions companies by 1941. Friedrich Flick was one of the directors of DAG, which also held majority interests in nineteen firms which engaged in activities related to munitions production. One of DAG's subsidiaries, GmbH zur Verwertung chemische Erzeugnisse, became one of the largest producers of munitions for the German army. In English, the company's name means, "Corporation to Exploit Chemical Products" (158).

Dynamit Nobel used concentration camp labor at one of its factories in Allendorf, near Kassel. In August on 1944, one thousand young Jewish women were sent to the factory from Auschwitz (158). Each day, the prisoners marched for one hour from their barracks to the munitions factory, which was concealed underground in a wooded area. The inmates worked two shifts in the factory. Each shift lasted twelve hours so that the factory was constantly in operation. The inmates were forced to "measure out a predetermined amount of multicolored explosive powder which was then poured into shells and grenades" (159).

In addition to the prisoners that were sent to Allendorf, one thousand Hungarian Jewish women were sent to Hessisch Lichtenau, near Leipzig, from Auschwitz. The women were transported every day by cattle car to Furstenhagen. They were then forced to march for about forty-five minutes to a wooded area, which concealed an underground munitions factory of another subsidiary of Dynamit Nobel (159). The camps at Hessisch Lichtenau and Allendorf were both connected to the Buchenwald concentration camp.

After the war, six representatives of the Flick conglomerate, including Friedrich Flick, were put on trial at the Subsequent Proceedings at Nuremberg. The men were charged with war crimes and crimes against humanity, including charges of enslavement and abuse of the concentration camp inmates and plunder in the occupied territories (157). Charges of preparation for aggressive war were not brought because of difficulties in gathering evidence after the war.

The defendants argued that they had "done no more than what any other persons in their positions would have done in defense of home and country" (157). They claimed that their actions were necessary, both militarily and economically, to protect Germany against the invasion of communism. The defendants stated that the use of forced labor was beyond their control. Production had been ordered by the government and was supervised by the SS. According to the defendants, they faced imprisonment or death if they did not meet government production quotas or rejected the labor offered by the government.

On February 8, 1947, Friedrich Flick and four of his associates were indicted for war crimes and crimes against humanity on a "vast scale" (Schmidt). Friedrich Flick was convicted on December 22, 1947, of spoliation, using slave labor, and supporting the SS through his contributions. He was sentenced to seven years in prison, less the two and one half years he had spent in captivity during the trial. He was released in 1950 for good conduct.

Flick, who was described as the richest man in Germany at the end of World War II, began to rebuild his empire immediately after his release. By 1963, Dynamit Nobel was back at work producing munitions for Germany and other nations (Ferencz 159). The company reported one billion marks in sales that year (159). Friedrich Flick was Chairman of the Board and owned eighty percent of the company.

As was the case with I.G. Farben, the Flick concern was pressured to make restitution to survivors of the labor camps. In 1963, an apparent agreement was reached between Dynamit Nobel and the Jewish Claims Conference. Under the terms of the agreement, Dynamit Nobel would pay five million marks to the Claims Conference by May 1, 1964 (162). By 1967, however, the Claims Conference had not yet received anything from Dynamit Nobel.

The Flick conglomerate was apparently concerned about the agreement, which would not cover other Flick companies and would not apply to non-Jewish survivors of the camps. In January of 1967, the company supposedly resolved its doubts when a group of

majority shareholders decided that the payment should be made. There was only one problem, they claimed. The company, of which eighty percent was owned by a man whose personal fortune exceeded two billion marks at the time, was short of cash.

When Friedrich Flick died in 1972, the Claims Conference still had not received the money it had been promised. The Conference had been prepared to publicize the story of the Flick concern's refusal to make the payment. Upon Flick's death, however, the Conference elected not to do so. The Flick conglomerate never paid anything to the survivors of the Holocaust. When he died, Friedrich Flick was described as "the most important industrialist of his time" (Frankfurter Allgemeine Zeitung).

Krupp

For nearly 100 years before World War II, the Krupps were known as the "cannon kings" of Germany. "The Krupp concern was one of Germany's oldest, most distinguished, and largest industrial combines". It relied on its coal, iron, and steel enterprises to become one of the most distinguished armaments producers in Germany (Ferencz 70).

The Krupp concern was headed by Dr. Gustav Krupp von Bohlen und Halbach. In May of 1933, Gustav Krupp became an officer in the Adolf Hitler Fund in Berlin, which contributed money to the Nazi party and the SS (Gutman 842). As a result of Krupp's association with the Nazis, his company was offered facilities in the occupied territories in the east. The Krupp firms in eastern Europe made extensive use of forced labor from the concentration camps. Jews,

Poles, and Russian prisoners of war were forced to work for Krupp. Approximately 100,000 forced laborers were employed by the Krupp concern (842). Between seventy and eighty percent of them died as a result of inhumane treatment (842).

Gustav Krupp suffered a stroke in 1942. His oldest son, Alfried Felix Alwyn von Bohlen und Halbach, assumed his father's responsibilities. By 1943, the thirty-six year old Alfried Krupp had become the Chairman of the Board and sole owner of the Krupp companies (Ferencz 70).

In April of 1942, the Krupp concern approached Hitler about manufacturing automatic weapons for the German army. Krupp proposed that inmates from a camp in the Sudetengrau be used to produce the weapons. Krupp was eventually given an order from the government for artillery spare parts. The government offered to construct a factory in Auschwitz, which would be leased to Krupp by the SS. Krupp would only have to supply the machines and the management.

Alfried Krupp was informed by his staff that the camp at Auschwitz would provide his company with the labor force it needed to produce the parts. It was anticipated that Krupp would have between five hundred and six hundred inmates at its disposal. The first task of the prisoners was to construct the factory at Auschwitz. Production was scheduled to begin in March of 1943 (89).

Krupp was forced to alter its plans, however, when the Royal Air Force bombed Krupp plants in Essen which were used to

— manufacture artillery detonators. Krupp proposed to drop its plan to manufacture spare parts at Auschwitz. Instead, the company proposed to manufacture artillery detonators at Auschwitz, stating that it could produce 500,000 detonators per month (89). However, it would need to increase its forced labor force to 1500 prisoners in order to meet this production goal (89). Through a contract with the SS, Krupp gained complete control over production at Auschwitz. Punishment of the inmates was to be carried out by the SS at the request of Krupp.

— Although workshops had been set up by March of 1943, the detonator machines still were not in place as of July (90). The SS was upset at the lack of production, threatening to reassign the space in the camp to another company if Krupp did not begin production soon. By the end of September, production still had not begun. The army cancelled its order, and the SS reassigned the factory space in Auschwitz to another company.

— After losing its space in Auschwitz, Krupp continued to use forced labor at its plants in Germany and in the occupied territories. In the summer of 1944, the SS offered a large group of camp inmates to the armaments industry. "Fifty to sixty thousand 'Hungarian Jewesses' were put on the block and made available to any armaments firm that cared to make a bid" (94). Krupp representatives contacted the SS Economic and Administration Main Office and requested an allocation of slave laborers to be used at the company's main plant in Essen. The SS approved the request, and ordered Krupp to arrange the details of the

transaction with the commandant of the Buchenwald camp.

Krupp sought about two thousand men to supplement its seventy thousand employees in Essen. Representatives of the company were invited to the Gelsenkirchen camp, which was a subcamp of Buchenwald, to look at two thousand Jewish females. Although the inmates were already being used by other firms, Krupp was given top priority. Upon first inspection, the Krupp representatives reported that the inmates were "too frail and weak for heavy work" (94). However, the SS offered Krupp five hundred of the Jewish females, provided Krupp could supply forty-five German women to become SS guards (94). Krupp recruited volunteers from its German staff, who were provided rubber truncheons and uniforms by the SS (95).

Next, Krupp's foremen visited Gelsenkirchen "for a closer inspection of the goods". The inmates that were offered to Krupp were girls between the ages of fifteen and twenty-five. They had been seized in Hungary, Rumania, and Czechoslovakia, in early 1944. "They were not much to look at, but the Krupp men managed to pick out a batch of five hundred" (95).

The girls were forced to work in a rolling mill and an electrode shop. They received treatment from the SS that was similar to the treatment of all Jewish forced laborers. The Krupp foremen also contributed to the mistreatment of the inmates. The girls worked in the snow and were not allowed to go near small fires which might have kept them warm. They were beaten with dog whips to force them to continue working in the miserable

conditions. Their only protection from the harsh winter weather were rags around their feet and wet blankets over their shoulders (95). When the Allies began attacking Krupp's plants in Essen, the girls were not permitted to enter the air-raid shelters. As the Allies approached, the SS threatened to kill all of the inmates. They vowed not to let the inmates fall into the hands of the Allies. Krupp had the opportunity to set the girls free before the Allies reached Essen. Company officials, with the approval of Alfried Krupp, decided instead to ship the girls back to Buchenwald.

At the Subsequent Proceedings at Nuremberg, officials from the Krupp concern were put on trial. Gustav Krupp was not tried, having been declared medically incompetent to stand trial. However, twelve executives, including Alfried Krupp, were indicted on August 16, 1947. The charges focused on Krupp's support of and collaboration with Adolf Hitler and the Nazi party. The indictment declared that Krupp's criminal nature in promoting militarism could be traced back more than a century (McLaughlin).

The prosecution argued that Krupp's products had allowed Germany to wage invasions and aggressive war. Krupp was one of the largest manufacturers of large-caliber artillery, armorplate, and other high-quality armament in Germany (McLaughlin). Krupp was also the largest private manufacturer of U-boats and warships, which helped to rebuild the German Navy.

According to the prosecution, the rapid rearmament of Germany, for which credit was claimed by Hitler, had actually been

accomplished by Krupp. Krupp violated the Versailles Treaty by continuing to produce armaments. In 1941, Gustav Krupp wrote that the restrictions of the Versailles Treaty "did not mean a final conclusion." Gustav Krupp had always intended for Krupp to remain an armaments plant so that the company could help to prepare the country for the time that Germany would be reborn (McLaughlin).

On November 17, 1947, the twelve Krupp directors pleaded not guilty to the four counts with which they were charged. The charges included crimes against the peace, plunder and spoliation, exploitation of slave labor, and conspiracy. The prosecution stated that Krupp benefitted from the confiscation of plants in the occupied territories. The prosecution also claimed that the Krupp directors conspired to help Hitler achieve enough political power to seize control of the German government. They had also contributed to the Nazi party and actively cooperated with the Nazis in rearming Germany.

The charges of crimes against the peace and conspiracy were dismissed by the court at Nuremberg before it had heard from the defendants. The court stated that the prosecution had not shown beyond a reasonable doubt that the defendants were guilty (Ferencz 71). The defendants, who refused to take the stand in their own defense, were tried on the remaining two counts.

In reaching its decision, the court emphasized that Krupp had not been allocated forced labor. The SS had offered the inmates to private companies in 1944 but had not forced the companies to take the labor. Krupp had requested the labor, while, the court pointed

out, many other German armament firms had not done so.

Krupp's act of seeking out forced labor gave the court sufficient reason to find the defendants guilty beyond a reasonable doubt (72). In 1949, the Krupp executives were sentenced to twelve years in prison and were forced to forfeit all of their real and personal property (72). In 1950, the Advisory Board on Clemency for War Criminals was established to deal with matters relating to war criminals that were awaiting execution. In order to help with its decisions, the Clemency Board distinguished between "white-collar" criminals and other criminals such as SS members. The Clemency Board ordered the release of the "white-collar" criminals, including the Krupp directors, in 1950 (74).

The Clemency Board backed up Alfried Krupp's claim that Hitler and the Nazis had forced Krupp to use concentration camp labor. The Board recommended that the property confiscation penalty be lifted, noting that the property of even those war criminals sentenced to death had not been confiscated. Alfried Krupp, the Board said, had been a "victim of discrimination" (74). Alfried Krupp's entire fortune was returned and the Krupp concern was soon a powerful and successful firm once again.

Productivity, Efficiency, and Profit

I.G. Farben, the Flick conglomerate, and Krupp were three of the largest users of slave labor from the concentration camps. However, they were not alone. As previously mentioned, many business enterprises representing a wide range of industries took advantage of the victims of the Nazis. German industry dealt with

the question of forced labor from the standpoint of the war economy and effectiveness (Herbert 178). Industry members felt that the demands of the war economy forced them to take whatever action necessary to meet those demands. "In each instance, they made use of that group of workers that was available in sufficient numbers and promised the best return on investment" (178). The welfare of those workers seems to have been of little concern when compared with the return on investment that could be generated.

Private industry was in fact somewhat concerned with the fate of some of the inmates of the labor camps. However, the concern was only associated with boosting production (178). Skilled workers were spared and were often treated somewhat better than other laborers. The unskilled masses, meanwhile, were rushed to their deaths.

The aim of the SS in the concentration camps was the annihilation of its ideological enemies. The aim of German private industry was increased production at the lowest possible cost (179). Private companies also hoped to amass a large number of production sites in a short period of time. The death of the workers was considered a necessity to achieve these goals. It was a means to achieve the desired end results. Private industry's orientation toward production, efficiency, and profit during the intense war situation caused it to ignore and accept the death of the forced laborers from the concentration camps (179).

Many German enterprises claimed that they were forced to use concentration camp labor. They felt that they had to cooperate

with the Nazis in order to remain in business. However, the crimes of I.G. Farben, Friedrich Flick, and Alfried Krupp, make this claim difficult to believe.

Still, the German executives who took over control of the companies after the war claimed that their firms had been "agents" of the Third Reich (Glouchevitch 173). They claimed that the Nazis had forced them into using forced labor. The Allied governments, eager to see Germany repay its debts after the war, agreed with this claim and exempted the companies from individual liability concerning forced labor (173).

Some companies, including Siemens, Krupp, and Telefunken AEG, eventually made payments to the Jewish Claims Conference. Other companies, including Daimler-Benz and Volkswagen, eventually created foundations for the victims of forced labor. Daimler-Benz established such a foundation only after much pressure. When approached in 1969 about acknowledging the company's liabilities to its former forced laborers, Daimler-Benz officials denied that the company ever used forced labor (175). Upon being presented with evidence to the contrary, company officials stated that the labor had been used by a subsidiary of Daimler-Benz rather than the company itself. Daimler-Benz finally established a foundation in 1988 (175).

While some firms made reparations to the forced laborers, the majority of the firms, including BMW, have attempted to bury the issue (176). The published histories of these companies are virtually empty for the years 1939 to 1945. Many simply contain

references to the war such as "then came the war, where eighty percent of the company's factories were bombed" (176). Some of the executives of the companies do not even have much knowledge about the true history of the companies they serve.

The Ethics of Using Forced Labor

Many of the private German companies that utilized forced labor from the concentration camps claimed that the Nazi government had forced them to do so. It is more likely that the companies, especially the larger, more powerful companies, used the slave labor in order to achieve the greatest economic and financial rewards at the lowest possible cost. The ethics of the decision to use forced labor must be questioned. How could the industrialists overlook the human beings that were suffering and dying in their factories?

Robert Allen Cooke, a Ph.D. at the Institute for Business Ethics at DePaul University, writes that "ethics is concerned with any situation in which there is actual or potential harm to an individual or group" (Cooke 1). The individual or group may be harmed physically, mentally, or economically as a result of some action or potential action (2). Based on this definition of ethics and the situations to which ethics apply, the German industrialists should have considered the ethics of their decisions to use forced labor. The concentration camp inmates and other forced laborers were harmed physically, mentally, and economically.

Cooke also defines ethics as "the process of determining what are and what are not reasonable standards of moral conduct" (2).

— This process involves determining what is morally good or bad and what is morally right or wrong (2). Any firm making a decision in which ethics are involved should consider the impact the decision will have on all parties involved, referred to as stakeholders (4). According to Cooke, the impact a decision will have on stakeholders can be evaluated by addressing the following questions:

- * Are the rights of any stakeholder being violated?
- * Does the firm have any overriding duties to any stakeholder?
- * Will the decision benefit any stakeholder to the detriment of another stakeholder?

— The forced laborers were stakeholders in the decision by German private industry to use forced labor. The acts of imprisoning these laborers, forcing them to work against their will, physically abusing them, and working them to the point of death were undeniable and appalling violations of the rights of the forced laborers. In answering the second question, many industrialists would likely have stated that they had an overriding duty to the Nazi government, another stakeholder in the decision, that forced them to use the slave labor. However, the duty to uphold justice and protect basic human rights should outweigh any duty to a government or a nation. Finally, the decision to use forced labor benefitted certain stakeholders, including the Nazi government and the individual firms themselves, at the expense of the forced laborers.

— Based on the impact their decisions would have on the slave laborers, it would seem that the German industrialists should have

realized that their decisions were unethical. However, the classification of a decision as either ethical or unethical depends on the standards one uses to evaluate the decision. The question thus becomes, "What standards did the German industrialists use in evaluating their decisions?"

Cooke discusses three models which provide different sets of standards. "The Utilitarian Method emphasizes the consequences an action may have on all people directly or indirectly affected by this action." The basic principle behind the Utilitarian Method is the assertion that a decision should provide "the greatest good for the greatest number of people." In order for an action to be morally appropriate, it must maximize the net benefits and minimize the overall harms to all shareholders (5).

Ten million people were forced to work for private German companies during World War II (Glouchevitch 171). Over 100,000 of them were worked to death. Others were permanently crippled, beaten, and deprived of food and medical care. Most of them never received any compensation for the work they performed. Each of them was robbed of his personal freedom and forced to work against his will. The principal benefactors of the slave labor were the high ranking officials in both the private companies and the Nazi government. It is difficult to believe that the decision by German industry to use forced labor provided the greatest good for the greatest number of people.

The second model of ethical standards is The Golden Rule Model. "The basic principle of The Golden Rule Model is that one

should treat other people in the same way he or she would want to be treated." When confronting an ethical issue, the individual should choose the course of action that "treats other with the same dignity and respect he or she would expect." The costs or consequences of the chosen course of action should be considered secondary to the focus on "treating all stakeholders with the same respect and dignity one would expect from others" (Cooke 6).

It is probably safe to assume that the German industrialists did not use The Golden Rule Method in making the decision to use forced labor. It seems difficult to believe that any German industrialist would have liked to work twelve-hour days under the constant threat of death from either the SS or the gas chambers. Most of the industrialists probably would not have enjoyed sleeping in narrow, unsanitary bunks, which were designed for one person, with two or more other people, as the inmates at Monowitz were forced to do. The German industrialists that decided to use forced labor surely would not have wanted to see their services, belongings, and lives end up on a financial statement such as the SS Economic and Administration Main Office income statement found in Appendix 1.

The final model of ethical standards discussed by Cooke is The Kantian Model. Developed by Immanuel Kant, the model "rests on the assumption that every person has basic rights in a moral universe." All individuals have basic rights to self-respect, regardless of the individual's sex, national origin, religion, or social and economic standing. The Kantian theory suggests that all

individuals "should be consulted about actions that directly or indirectly affect them" (6).

The Kantian Model implies that all individuals are entitled to, among others, the rights of free consent, freedom of conscience, and due process. Cooke writes that the right of free consent suggests that "each person has the right to be treated only as he or she knowingly and willingly consents to be treated" (6). The millions of people that were slaves to German industry obviously did not consent to being taken from their homes and families and being forced to work for private German companies.

The right of freedom of conscience means that "each person has the right to refuse to act in any way that violates his or her moral beliefs as long as said beliefs are commonly accepted norms" (6). Cooke states that the right of due process guarantees each person "the right to a fair and impartial hearing if there is reason to believe his or her rights are being violated" (6). If the forced laborers protested or refused to work, they were beaten, deprived of food, or simply executed.

Based on this analysis, the decision by German industry to use forced labor does not meet the standards of any of the three ethics models discussed by Cooke. The use of slave labor did not provide the greatest good for the greatest number of people. The harms suffered by the forced laborers far outweigh the benefits enjoyed by the industrialists and government officials. German industrialists also did not choose a course of action that would treat others the way they would want to be treated. Finally, the

use of slave labor violated the basic rights entitled to the forced laborers. The decision to use forced labor from the concentration camps cannot possibly be considered an ethical decision.

However, German industry apparently felt its decision was ethical at the time the decision was made. The decision did not violate any laws or company policies. In addition, the industrialists apparently felt that the decision was fair to all stakeholders or at least provided benefits in productivity and efficiency which outweighed the costs.

Ethics has little to do with legality. An act which is legal may be unethical and an act which is illegal may be ethical. Ethics involves distinguishing between something that is morally right and something that is morally wrong. Obviously, the line between right and wrong is drawn differently by every individual. However, an ethical decision is one that respects the rights of all people involved and one that the individual or group making the decision is willing to stand by, regardless of the situation. The true feelings of the German industrialists about their decisions to use slave labor may be best represented by their transfer of blame to the Nazi party and, in some cases, denial of ever using slave labor.

The Opinions of Tomorrow's Business Leaders

The use of forced labor by private industry in Germany during World War II raises many questions about business ethics. One wonders if the nature of the business world and business education affects the ethical perceptions of members of the business

community. Business students are important members of the business community. They represent the future of the business world, and the ethical standards that they develop early in life will affect the decisions they make throughout their careers.

In an effort to determine how business students feel about situations similar to that faced by German industrialists in World War II, students enrolled in upper level business courses at Ball State University were asked to respond to a narrative which described a business situation. A copy of the survey can be found in Appendix 2. The students responded anonymously, indicating only their major fields of study at the top of the responses. The fifty-seven students who responded were majoring in various fields of study, ranging from management and business administration to accounting, finance, and management information systems.

The business scenario presented to the students is very similar to the situation in Nazi Germany. The students were assigned the position of chief executive officer of a large manufacturing firm. The firm, which had been performing poorly, was given the opportunity to participate in a government labor program which would provide it with labor at an extremely low cost. The conditions for the workers would be very poor, but the program was completely legal and would help to solve the company's economic problems. The survey participants were asked if they would use labor from the government program.

The Holocaust was not referred to on the survey or in person when administering the survey. The students were asked to give a

brief response to the first section of the survey before proceeding to the second section. The second section of the survey stated that conditions for the workers had become even worse after one year of operation. The second section also closely resembles the conditions of forced labor during the Holocaust without mentioning the Holocaust or slavery specifically. Again, the financial benefits of the program were discussed in the scenario. The participants were once again asked to state whether or not they would use labor from the government program and to briefly support their decisions.

The results of the survey can be found in Appendix 3. Of the fifty-seven participants, thirty-four students responded that they would use labor from the government program based on the first section of the scenario. While sixty percent said they would use the labor in the first section of the survey, twenty-one percent responded that they would use labor from the program even after reading the second page of the survey. Although the number of students that would use labor from the program declined significantly from the first section to the second section, the responses indicate that one out of five students would use labor from the program despite the terrible working conditions.

It should be noted that many of the students that responded "yes" in the second section of the survey also stated that they would attempt to use the financial benefits of the program to improve the working conditions. A few of the students stated that they would continue using the labor, provided the government would

improve the working conditions. If the government would not cooperate, the students stated that they would discontinue the use of the labor. Most of the students that said "yes" to the government labor expressed some concern for the welfare of the workers.

However, a few students seemed to be more concerned with the financial implications of the scenario. One student wrote that it was the responsibility of the CEO to provide the best return on the stockholders' investment and that the working conditions were beyond the CEO's control. The student described the world as one in which individuals must "kill or be killed," and the student feared that the CEO would be replaced if shareholder wealth was not maximized. The student did, however, state that he or she would attempt to improve the working conditions.

Another student agreed that keeping the stockholders satisfied was the first priority of the CEO. The student argued that the workers could not be forced to do anything that they did not want to do, stating that the workers would quit if the working conditions became intolerable. The student also mentioned that the labor should be used because it is "available and cheap."

The responses of some of the students that chose to use the government labor in the second section of the survey would probably have been different had they made more of a connection with the Holocaust and slavery. In particular, the students that expressed at least some concern for the welfare of the workers would probably have responded differently. It must also be recognized that the

"yes" respondents were by no means in the majority.

Many students described the government labor program as unethical and inhumane. Some students stated that the legality of the program did not make it an ethical program. Several students described the scenario as a situation involving "legal slavery." While some students expressed concerns about the effectiveness of the workers, others stated that the program was a violation of the rights of the workers. A few students even compared the scenario to the use of slave labor during the Holocaust.

The responses were relatively consistent across major fields of study. The majors of the students are grouped into three categories in Appendix 3. The first group consists of management-related majors. Of the eight students in group 1, five students responded that they would use the government labor after reading the first section of the survey, while only one student elected to use the labor after reading the second section. Group 2 includes accounting, finance, and insurance majors. Of the thirty-three students in group 2, nineteen students responded "yes" in the first section, while seven responded "yes" in the second section. The final group includes all other majors. Of the sixteen students in group 3, ten responded "yes" in the first section and four students responded "yes" in the second section.

The survey was not designed to reach a definitive determination of the attitudes of business students about business ethics. The sample size was relatively small and sample selection was limited to two strategic management classes and one advanced

accounting class. The survey was designed to obtain a general response from business students about a situation similar to one of the worst violations of business ethics in history. The results of the survey indicate that more research should be done on the attitudes of business students about business ethics. Business colleges should consider allocating more class time to discussions of situations involving business ethics. Business students are tomorrow's managers and decision makers. Extensive exposure to issues involving business ethics may help to prevent the occurrence of another disaster similar to that which occurred in Nazi Germany.

Beyond the Holocaust

Although many people may not have detailed knowledge about companies like I.G. Farben, the Flick conglomerate, and Krupp, most people have at least a general awareness that laborers were forced to work against their wills during World War II. Most people would probably agree that the system of forced labor in Nazi Germany played a terrible part in a tragic event in world history. The number of people that would openly admit an opinion that the German industrialists were justified in their actions would hopefully be fairly small.

If the Holocaust affected societal views relating to forced labor, why have forced labor practices continued in the fifty years since Farben, Flick, and Krupp were put on trial? Although it could be argued that nothing as devastating as forced labor during the Holocaust has occurred since then, evidence exists of continued human rights violations by business enterprises since World War II.

In certain situations, laborers have not actually been forced to work for companies. However, the firms have taken advantage of people with lower social or economic standings, and have overlooked the moral obligation to protect and uphold the rights of the workers.

The virus that leads to the disease that is forced labor is profit. The seduction of profit causes individuals in powerful positions to make decisions without considering the effects they will have on all people involved. Compassion and concern for human beings seem to be overshadowed by the pressure to achieve productivity, efficiency, and profit.

Forced labor is not restricted to a small number of countries or areas of the world. Since World War II, workers in many countries throughout the world have been exploited by private businesses. A prime example is a situation that was reported in the Dominican Republic in the early 1990s. Jobless Haitians came to the Dominican Republic expecting good jobs in sugarcane fields. Upon arriving in the Dominican Republic, the Haitians were transported at gunpoint and forced to work against their wills. According to the reports, the working conditions were very poor, and the workers received little compensation. Many of these workers were children.

The atrocity of child labor is perhaps the most frightening evidence that the seduction of profit that occurred during the Holocaust continues to exist today. Child labor is an international tragedy that has led to the deaths of millions of

innocent children. Children have been forced to work in factories and mines in many countries, including, among others, India, Peru, Ivory Coast, and Brazil.

These are just two examples of the continued practice of forced labor. The use of forced labor in Nazi Germany was not a solitary event. Similar situations existed before the Holocaust and have continued to exist since the last Nazi concentration camps were liberated. The pressure to achieve productivity and profit is extremely high in today's global economy. It is quite possible that a situation similar to the Holocaust could occur again at any time and in any nation. Steps must be taken to prevent such a tragedy from ever occurring again. One step in this process should be education about the Holocaust. Education about the Holocaust may prevent tomorrow's business leaders from making the same fateful decisions that were made by the leaders of companies like I.G. Farben, Flick, and Krupp. The Holocaust must never be forgotten. An in-depth knowledge about the events of the Holocaust, both those that involved forced labor and those that did not, may help to keep society's focus on people superior to its focus on profit. The bottom line is not net income; the bottom line is people. The bottom line is respect and compassion for all people, without regard to sex, religion, race, national origin, or social and economic standing.

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Appendix 1

SS Central Office of Economy and Administration

"Estimated Profit (from Exploitation of Inmates of Concentration
Camps) "

Average daily income from hiring out [an inmate]	RM 6.00
less food	RM .60
less amortization for clothes	RM .10
Net income	RM 5.30

Average life expectancy:	
9 months X RM 5.30 =	RM 1431

Income from an efficient utilization of corpses:

(1) gold from teeth	
(2) clothes	
(3) valuables	
(4) money	
less cost of burning [the corpses]	RM 2.00

Average net profit	<u>RM 200</u>
Total profit after 9 months	RM 1631

To which must be added income from utilization
of the bones and ashes

Source: Robinson, Jacob. "Research on the Jewish Catastrophe."
The Jewish Journal of Sociology. Vol. VII (December 1966),
p. 198.

Appendix 2

Survey - Page One

You are the chief executive officer of one of the largest manufacturing concerns in the nation. Recently, poor economic conditions have hurt your business. Profits are down and stockholders are demanding changes.

An opportunity has arisen that may be the solution to your company's problems. It is now possible to obtain labor at an extremely low cost. This labor can be used to build new manufacturing facilities for the production of innovative products, as well as to operate the new facilities once they have been constructed.

The workers will be paid extremely low wages. In addition, working conditions will be very poor. However, this new labor program is completely legal. In fact, the program was designed and encouraged by the government as a means of rescuing the country from the economic crisis. The government has selected individuals who it believes have contributed little to the success of the nation to participate as workers in the program.

By participating in the program, your company will not only solve its economic problems but also create strong ties to the government. Several other companies, including some of your competitors, have already met with great success by participating in the program.

As CEO, this is your decision to make. Do you use labor from the government program? Please explain your decision before

continuing to the next page.

Survey - Page Two

One year later, the government has undertaken a program of housing the laborers for the labor program near the factories in which they work. Conditions in the housing facilities are extremely poor. The workers are paid little, if anything. Food for the workers is scarce, as is medical attention. The workers are accompanied to and from the factories by government officials and are not permitted to miss work. The laborers work extremely long hours in dangerous working conditions with little or no rest.

Your company will experience great financial and political rewards if it continues to participate in the government labor program. Do you use labor from the program? Please explain your decision.

Appendix 3

Survey Results

<u>Major</u>	Number of <u>Participants</u>	Page 1		Page 2	
		<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
Management	3	1	2	0	3
General Business					
Management	2	2	0	0	2
Business Administration	2	1	1	0	2
Human Resource					
Management	1	1	0	1	0
Accounting	26	14	12	4	22
Finance	5	4	1	2	3
Insurance	2	1	1	1	1
Marketing	6	4	2	2	4
Omitted	5	4	1	1	4
Business Education	2	1	1	0	2
Management Information					
Systems	1	0	1	0	1
Office Information					
Systems	1	0	1	0	1
International Business	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>
Total	57	34	23	12	45
		(59.6%)		(21.1%)	